Clearances:

L/PM – Schildge ok PM/DTCL – Maloney
NSC – Nillson ok H – Cooper
PM/CPA - Greer ok PM/DTC–RSKovac
T – Tucker info

Dear Madam Speaker:

Pursuant to Section 36(c) and 36(d) of the Arms Export Control Act, I am transmitting, herewith, certification of a proposed manufacturing license agreement for the manufacture of significant military equipment abroad and the export of defense services and defense articles in the amount of \$50,000,000 or more.

The transaction contained in the attached certification involves the export of defense articles, including technical data, and defense services to Mexico for the manufacture of components for use in Auxiliary Power Units and Propulsion Engines for end use on various U.S. and non-U.S. approved military platforms.

The United States Government is prepared to license the export of these items having taken into account political, military, economic, human rights and arms control considerations.

More detailed information is contained in the formal certification which, though unclassified, contains business information submitted to the Department of State by the applicant, publication of which could cause competitive harm to the United States firm concerned.

Sincerely,

Richard R. Verma Assistant Secretary Legislative Affairs

Enclosure:

Transmittal No. DDTC 011-09

The Honorable
Nancy Pelosi,

Speaker of the House of Representatives.

DEPARTMENT OF STATE TRANSMITTAL NO. DDTC 011-09 CERTIFICATION OF PROPOSED ISSUANCE OF AN EXPORT LICENSE PURSUANT TO SECTION 36(c) AND 36(d) OF THE ARMS EXPORT CONTROL ACT

- (1) <u>Foreign Country or International Organization to Which Export Will Be Made:</u> Mexico
- (2) <u>Dollar Value of the Proposed Export:</u>

(a) Current Notification Value: \$79,440,000

(b) Total Value: Initial Notification

(3) <u>Description of the Transaction:</u>

- (a) Current license application: Honeywell International Inc proposes to amend an ongoing Manufacturing License Agreement with Honeywell Aerospace de Mexico, Honeywell Automotive de Mexico, Turborreactores SA de CV, and Integradora de Comercio y Servicios Aduanales of Mexico to transfer technical data and defense services for the manufacture of components for use in Auxiliary Power Units and Propulsion Engines for end use on various U.S. and non-U.S. approved military platforms. All components will be sold back to Honeywell in the United States prior to integration into military platforms. Under the proposed amendment, significant military equipment will be manufactured in Mexico. The agreement is valid until September 2018. The baseline agreement was valued at \$49,240,000 and did not meet the threshold for notification under Section 36(c). This amendment adds \$30,200,000 of value for hardware and manufacturing abroad resulting in a total Agreement value of \$79,440,000.
- (b) Total Scope: Identified Above

(4) Offset Arrangement: None

(5) <u>Authorized Sales Territory</u>: United States

(6) <u>Date Certification Delivered to Congress</u>:

NOTE: This report, although unclassified, is derived from information submitted to the Department of State by the applicant which is subject to the confidentiality requirements of section 38(e) of the Arms Export Control Act. Disclosure of an applicant's prices and customers could result in competitive injury.

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Sincerely,

Richard R. Verma Assistant Secretary Legislative Affairs

Enclosure:

Transmittal No. DDTC 011-09

The Honorable

John F. Kerry, Chairman, Committee on Foreign Relations, United States Senate.

Dear Senator Lugar:

Pursuant to Section 36(c) and 36(d) of the Arms Export Control Act, I am transmitting, herewith, certification of a proposed manufacturing license agreement for the manufacture of significant military equipment abroad and the export of defense services and defense articles in the amount of \$50,000,000 or more.

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Sincerely,

Richard R. Verma Assistant Secretary Legislative Affairs

Enclosure:

Transmittal No. DDTC 011-09

The Honorable

Richard G. Lugar,
Committee on Foreign Relations,
United States Senate.

Dear Ms. Ros-Lehtinen:

Pursuant to Section 36(c) and 36(d) of the Arms Export Control Act, I am transmitting, herewith, certification of a proposed manufacturing license agreement for the manufacture of significant military equipment abroad and the export of defense services and defense articles in the amount of \$50,000,000 or more.

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Sincerely,

Richard R. Verma Assistant Secretary Legislative Affairs

Enclosure:

Transmittal No. DDTC 011-09

The Honorable
Ileana Ros-Lehtinen,
Committee on Foreign Affairs,
House of Representatives.

Dear Mr. Chairman:

Pursuant to Section 36(c) and 36(d) of the Arms Export Control Act, I am transmitting, herewith, certification of a proposed manufacturing license agreement for the manufacture of significant military equipment abroad and the export of defense services and defense articles in the amount of \$50,000,000 or more.

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Sincerely,

Richard R. Verma Assistant Secretary Legislative Affairs

Enclosure:

Transmittal No. DDTC 011-09

The Honorable

Howard L. Berman, Chairman, Committee on Foreign Affairs, House of Representatives.

Dear Mr. President:

Pursuant to Section 36(c) and 36(d) of the Arms Export Control Act, I am transmitting, herewith, certification of a proposed manufacturing license agreement for the manufacture of significant military equipment abroad and the export of defense services and defense articles in the amount of \$50,000,000 or more.

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Sincerely,

Richard R. Verma Assistant Secretary Legislative Affairs

Enclosure:

Transmittal No. DDTC 011-09

The Honorable

Joseph R. Biden, Jr.,

President of the Senate.